

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the goal is that the cost of expenses, including both operations and capital, are financed or recovered primarily through user related charges. Capital purchases are not budgeted as expenses; in accordance with Generally Accepted Accounting Principles, they are depreciated over the useful life of the asset. Individual operations which the City of Annapolis has designated as Enterprise Funds include the Water, Sewer, Off Street Parking, Dock, Market, Transportation, Stormwater Management and Refuse Funds.

The City's goal is for enterprise funds to establish rates which provide for self-sufficiency.

All funds are summarized on the pages that follow.

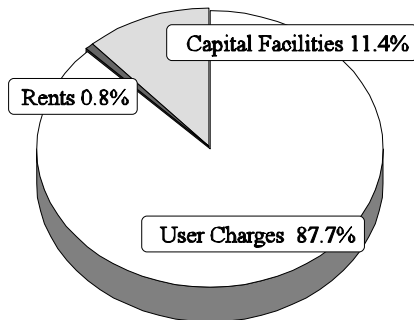
Enterprise Funds

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Water Fund FY 2006 Adopted Budget

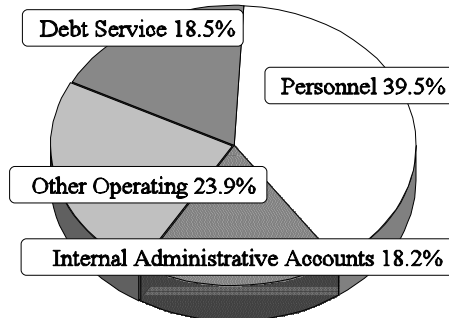
Revenues

Total: \$3,922,890



Expenses

Total: \$3,922,890



The Water Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's water plant and water distribution system. The fund's primary source of revenue is from user charges levied on water customers. Another primary source of revenue is the capital facility assessment; this is the fee charged to customers for maintenance of the City's water system. It is billed to the property owner over a period of thirty years and is used solely for water system improvements.

The Water Fund consists of two divisions: Water Supply & Treatment Facility and Water Distribution. The Water Supply & Treatment Facility is responsible for the production, treatment, testing, storage, and initial distribution of all potable water for customers of the City. The Water Distribution division is responsible for meter reading and operating, maintaining and repairing the City's 125 mile water distribution system, including service lines, water meters and fire hydrants.

Enterprise Funds

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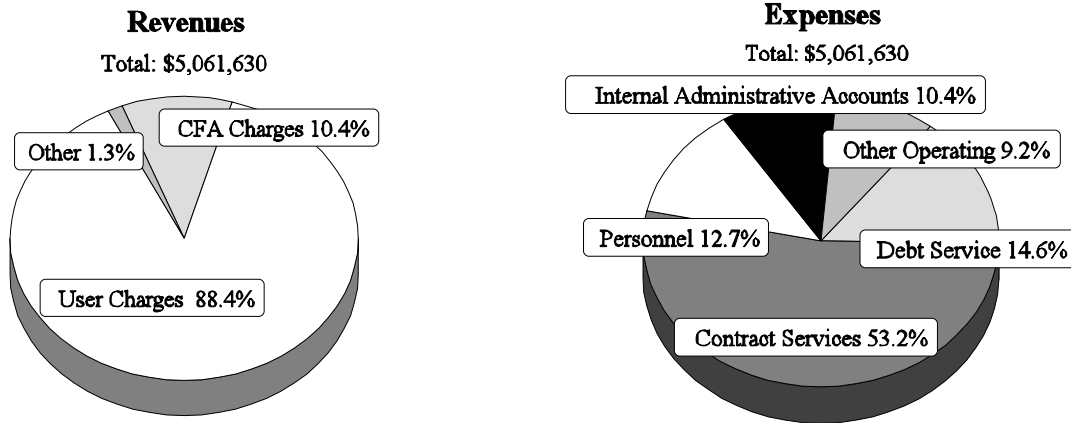
<i>Water Fund Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Water Charges	\$3,119,440	\$3,640,000	\$3,680,000	1.10%
Rents and Concessions	6,700	33,600	34,000	1.19%
Adjustment for Non-Operating Revenue	(75,760)	(355,040)	(271,110)	-23.64%
Capital Facilities	351,630	480,000	480,000	0.00%
Other	78,930	0	0	N/A
Total Revenues	\$3,480,940	\$3,798,560	\$3,922,890	3.27%

<i>Water Fund Expenses</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Personnel	\$1,473,810	\$1,484,010	\$1,549,520	4.41%
Other Operating Expenses	922,260	885,910	935,910	5.64%
Debt Service	732,310	671,840	723,810	7.74%
Internal Administrative Accounts	217,960	756,800	713,650	-5.70%
Capital Outlays	25,700	0	0	N/A
Subsidies & Transfer to CIP	612,350	0	0	N/A
Total Expenses	\$3,984,390	\$3,798,560	\$3,922,890	3.27%

Enterprise Funds

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Sewer Fund FY 2006 Adopted Budget



The Sewer Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's sewage collection and treatment program. The fund's primary source of revenue is from user charges levied on sewer system customers. Another primary source of revenue is the capital facility assessment; this is the fee charged to customers for maintenance of the City's sewer system. It is billed to the property owner over a period of thirty years and is used solely for sewage conveyance system improvements.

The Sewer Fund consists of two divisions: Water Reclamation Facility and Wastewater Collection. The Water Reclamation Facility accounts for the City's share of operating expenses for the treatment of all wastewater generated by City customers and certain Anne Arundel County customers at the Annapolis Wastewater Treatment Plant, which is owned jointly by Annapolis and Anne Arundel County. The Wastewater Collection division is responsible for operating, maintaining and repairing the City's 125 mile sewage conveyance system, including twenty-four pumping stations.

Enterprise Funds

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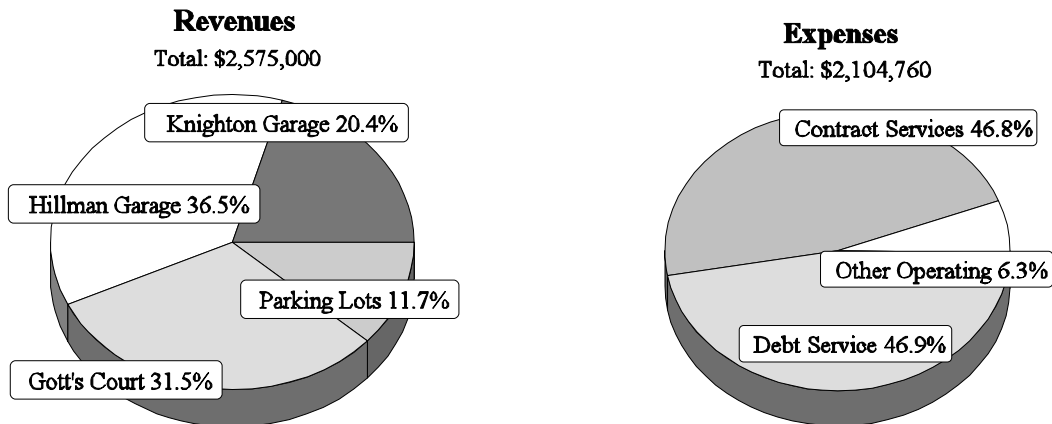
<i>Sewer Fund Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Sewer Charges	\$4,539,790	\$4,950,000	\$4,950,000	0.00%
Adjustment for Non-Operating Revenue	(97,020)	(303,880)	(538,370)	77.17%
Capital Facilities	458,250	374,600	580,000	54.83%
Other	168,320	0	70,000	N/A
Total Revenues	\$5,069,340	\$5,020,720	\$5,061,630	0.81%

<i>Sewer Fund Expenses</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Personnel	\$559,100	\$602,510	\$641,230	6.43%
Contract services	2,757,960	2,590,990	2,690,990	3.86%
Other Operating Expenses	464,050	463,450	458,220	-1.13%
Debt Service	775,100	733,740	742,530	1.20%
Internal Administrative Accounts	(259,970)	590,030	528,660	-10.40%
Capital Outlays	0	40,000	0	-100.00%
Subsidies & Transfer to CIP	614,350	0	0	N/A
Total Expenses	\$4,910,590	\$5,020,720	\$5,061,630	0.81%

Enterprise Funds

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Off Street Parking Fund FY 2006 Adopted Budget



The Off Street Parking Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's Municipal Off Street Parking facilities. These parking facilities include three parking garages (Hillman Garage, Gott's Court Garage and Knighton Garage) and two parking lots (Larkin and South Street). This fund is totally self-supporting, producing an annual surplus. The fund's primary source of revenue is from parking fees generated by the parking garages. Together, Hillman Garage, Gott's Court Garage and Knighton Garage parking fees account for about 88% of the fund's revenue.

The City maintains a contractual agreement with a parking management company for the day-to-day operations of all parking facilities; 49.9% of total costs are for professional services as opposed to personnel costs.

Enterprise Funds

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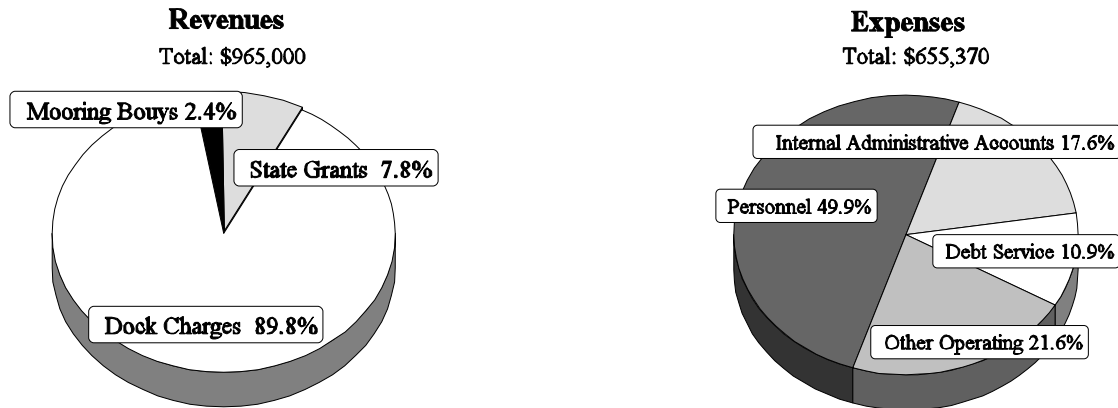
<i>Off Street Parking Fund Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Off Street Parking Charges	\$1,950,280	\$2,050,000	\$2,575,000	25.61%
Interest Earnings	58,910	0	0	N/A
Adjustment for Non-Operating Revenue	0	72,800	0	-100.00%
Total Revenues	\$2,009,190	\$2,122,800	\$2,575,000	21.30%

<i>Off Street Parking Fund Expenses</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Contract Services	\$577,430	\$555,000	\$1,048,550	88.93%
Other Operating Expenses	84,390	111,870	141,320	26.33%
Debt Service	1,002,380	1,168,850	1,052,360	-9.97%
Internal Administrative Accounts	(407,500)	(398,310)	(137,470)	-65.49%
Total Expenses	\$1,256,700	\$1,437,410	\$2,104,760	46.43%

Enterprise Funds

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Dock Fund FY 2006 Adopted Budget



The Dock Fund is an enterprise fund used to account for all financial activity associated with the management and control of the City's waterways, including slips and mooring buoys, showers and restrooms for boaters, sewage pump-out facilities for boaters, and maintenance of the City Dock area. This fund is totally self-supporting, generating an annual surplus. The Dock Fund's primary source of revenue is from slip charges. These are fees charged for mooring at a City Dock boat slip, based on the number of hours that the boat stays in the slip.

Enterprise Funds

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<i>Dock Fund Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
State Operating Grants	\$115,420	\$75,000	\$75,000	0.00%
Dock Charges	886,800	851,500	890,000	4.52%
Total Revenues	\$1,002,220	\$926,500	\$965,000	4.16%

<i>Dock Fund Expenses</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Personnel	\$292,360	\$311,620	\$326,900	4.90%
Other Operating Expenses	188,010	141,660	141,660	0.00%
Debt Service	94,230	91,720	71,750	-21.77%
Internal Administrative Accounts	146,190	84,180	115,060	36.68%
Total Expenses	\$720,790	\$629,180	\$655,370	4.16%

Enterprise Funds

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Market Fund FY 2006 Adopted Budget

Revenues

Total: \$75,000

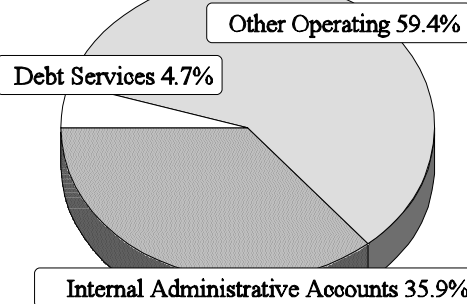
Market Charges 100.0%

A pie chart representing the revenue breakdown for the Market Fund. It consists of a single white slice representing 100% of the total revenue.

Category	Percentage
Market Charges	100.0%

Expenses

Total: \$70,820



The Market House Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's Market House, an enclosed pavilion housing a vendor who sells a wide variety of quality goods. The City is currently negotiating a lease for the Market House. This fund is totally self-supporting. The fund's revenue is from rent paid by the vendor. Primary expenses are electricity and repairs and maintenance.

Enterprise Funds

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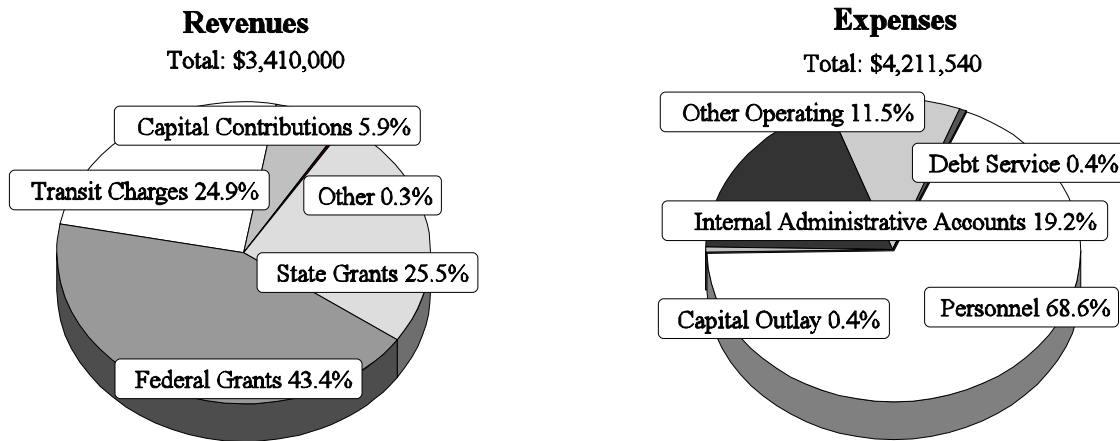
<i>Market Fund Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Market Charges	\$106,230	\$105,000	\$75,000	-28.57%
Adjustment for Non-Operating Revenue	0	(3,000)	0	-100.00%
Total Revenues	\$106,230	\$102,000	\$75,000	-26.47%

<i>Market Fund Expenses</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Personnel	\$14,950	\$15,000	\$0	-100.00%
Other Operating	57,250	60,230	42,060	-30.17%
Debt Service	4,650	4,460	3,340	-25.11%
Internal Administrative Accounts	24,240	22,310	25,420	13.94%
Total Expenses	\$101,090	\$102,000	\$70,820	-30.57%

Enterprise Funds

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Transportation Fund FY 2006 Adopted Budget



The Transportation Fund is an enterprise fund used to account for all financial activity associated with the operation and maintenance of the City's public transportation system. This fund usually operates at a significant deficit which is offset by subsidies from other funds. The fund's primary source of revenue is from transit charges. Federal and State Grants also account for a large portion of revenues.

The Transportation Fund consists of three divisions: Administration, Transit Operations, and Maintenance. The Administration division is responsible for operational planning and service management, grants management, and taxi and pedicab licensing and regulation. The Transit Operations division is responsible for operating an effective and efficient public transit system in accordance with all state and federal regulations. The Maintenance division is responsible for the repair and maintenance of all service and support vehicles, facilities and equipment.

Enterprise Funds

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<i>Transportation Fund Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Federal Operating and Capital Grants	\$417,870	\$1,481,000	\$1,480,000	-0.07%
State Operating and Capital Grants	1,798,680	669,000	870,000	30.04%
County Operating and Capital Grants	52,100	0	0	N/A
Transportation Charges	785,110	790,000	850,000	7.59%
Capital Contributions	202,700	200,000	200,000	0.00%
Other	172,250	10,000	10,000	0.00%
Total Revenues	\$3,428,710	\$3,150,000	\$3,410,000	8.25%

<i>Transportation Fund Expenses</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Personnel	\$2,696,900	\$2,669,530	\$2,887,800	8.18%
Other Operating Expenses	910,990	458,880	482,450	5.14%
Debt Service	22,240	22,060	18,500	-16.14%
Internal Administrative Accounts	471,520	722,560	807,790	11.80%
Capital Outlays	67,800	15,000	15,000	0.00%
Total Expenses	\$4,169,450	\$3,888,030	\$4,211,540	8.32%

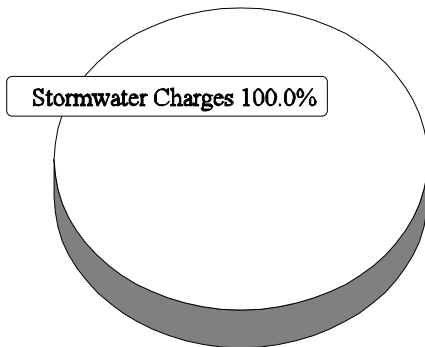
Enterprise Funds

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Stormwater Management Fund FY 2006 Adopted Budget

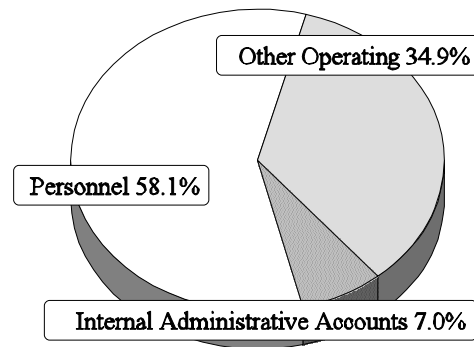
Revenues

Total: \$283,910



Expenses

Total: \$283,910



The Stormwater Management Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's storm water facilities. This fund is totally self-supporting. The fund's primary source of revenue is a utility charge levied on water customers. Revenues generated directly support the Storm Water Utility. Additional work such as upgrading of existing storm drain systems, development of drainage basin studies, water quality improvements, administrative costs and construction of major Capital Improvements are required under the Clean Water Act.

Enterprise Funds

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<i>Stormwater Management Fund Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Stormwater Charges	\$194,600	\$409,000	\$390,000	-4.65%
Adjustment for Non-Operating Revenue	0	(168,380)	(106,090)	-36.99%
Total Revenues	\$194,600	\$240,620	\$283,910	17.99%

<i>Stormwater Management Fund Expenses</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Personnel	\$111,270	\$147,520	\$164,910	11.79%
Other Operating Expenses	29,840	89,000	99,000	11.24%
Internal Administrative Accounts	(50)	4,100	20,000	387.80%
Total Expenses	\$141,060	\$240,620	\$283,910	17.99%

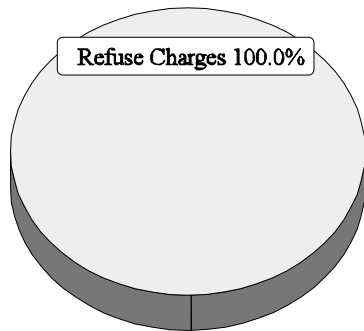
Enterprise Funds

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Refuse Fund FY 2006 Adopted Budget

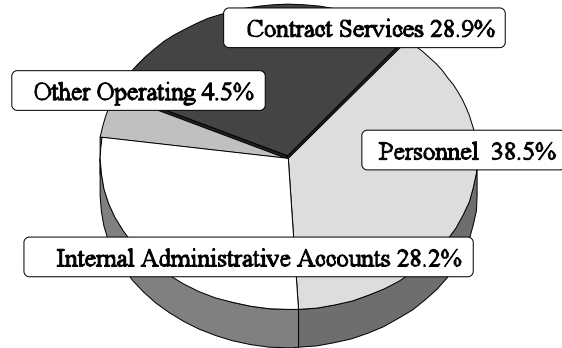
Revenues

Total: \$2,440,000



Expenses

Total: \$2,801,860



The Refuse Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's residential refuse, yard & curbside recycling, and bulk disposal systems. The fund's primary source of revenue is from refuse charges paid by the residential customers. The Fund's primary expense, aside from personnel costs, is the landfill tipping fee paid to the County for the disposal of residential and bulk refuse. Another significant expense is the contract service cost incurred for curbside recycling.

The Refuse Fund consists of three divisions: Residential Refuse, Yard Recycling and Curbside Recycling. The Residential Refuse division is responsible for the collection and transportation of solid waste from participating residential households to a disposal site. Residential refuse pickup is twice per week. The Yard Recycling division is responsible for the bi-weekly collection of yard waste from participating residential households. Collected yard waste is ground into mulch which is available to the public free of charge. The Curbside Recycling division is responsible for the curbside collection from participating residential households of bottles, cans, plastic and newspapers, cardboard, and mixed paper (junk mail, advertisements, magazines, etc.), and the hiring of the contractor to perform these services.

Enterprise Funds

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<i>Refuse Fund Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Refuse Collection Charges - Residential	\$2,405,920	\$2,410,000	\$2,440,000	1.24%
Total Revenues	\$2,405,920	\$2,410,000	\$2,440,000	1.24%

<i>Refuse Expenses</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Personnel	\$923,040	\$1,027,040	\$1,077,800	4.94%
Contract Services	309,330	689,750	809,750	17.40%
Other Operating Expenses	538,070	125,330	125,330	0.00%
Internal Administrative Accounts	979,770	812,560	788,980	-2.90%
Total Expenses	\$2,750,210	\$2,654,680	\$2,801,860	5.54%

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities. Included in the special revenue fund is the Community Development Block Grant.

Community Development Block Grant

The Community Development Block Grant (CDBG) Fund is a special revenue fund supported by grant of Federal funds from the U.S. Department of Housing and Urban Development. This grant is made available to the City for affordable housing, homelessness, and community and economic development activities. The Housing and Community Development division of the Department of Planning and Zoning is responsible for planning, organizing and implementing the CDBG program. The division's services, goals and objectives are presented in the *Planning and Zoning* section of this document.

<i>CDBG Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
CDBG Block Grant	\$721,780	\$414,000	\$392,150	-5.28%
Total Revenues	\$721,780	\$414,000	\$392,150	-5.28%

<i>CDBG Expenditures</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Operating Expenditures	661,080	309,000	345,390	11.78%
Capital Expenditures	60,700	105,000	46,760	-55.47%
Total Expenses	\$721,780	\$414,000	\$392,150	-5.28%

The amount of the grant made available to the City for fiscal year 2006 is expected to be \$392,150. The adopted amount for the operating portion of the grant is \$345,390 and \$46,760 for Capital Expenditures.

Debt Service Fund

Debt Service Fund Summary:

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds therefore are reported in the proprietary funds as they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

General Obligation Bonds:

As of June 30, 2005, the City had four general obligation bond issues outstanding, as described below:

1. *Public Improvement Bonds, 1994 Refunding Series* - These \$7,445,000 bonds were issued on March 15, 1994, with a twenty year term. The bond proceeds were used for the refunding of all or part of two Public Improvement Bonds: \$3,105,000 of the 1986 Public Improvements Bond, and \$1,815,000 of the 1988 Public Improvements Bond. The remaining \$2,525,000 of bond proceeds have been used to finance the cost of improvements to the Annapolis Water Reclamation Facility and the Belmont Sewage Pumping Station.
2. *Public Improvement and Refunding Bonds, Series 1998* - These \$19,215,000 bonds were issued on June 3, 1998, with a twenty year term. The bond proceeds were used for the refunding of all or part of three General Obligation Bonds: \$5,405,000 of the 1987 Public Refunding Bond, \$1,235,000 of the 1988 Public Improvement Bond, and \$3,885,000 of the 1991 Public Improvement Bond. The remainder of the bond proceeds were used to finance the cost of improvements to the Hillman Parking Garage, Gateway Circle, General Sewer Rehabilitation, City Dock Reconstruction, and the Stanton Center.
3. *Public Improvement Bonds of 2002* - These \$20,885,000 bonds were issued on December 1, 2002, with a fifteen year term. The bond proceeds have been used to purchase a new fire ladder truck, fund various public projects, including improvements to the Water and Wastewater systems, streets and a parking garage.
4. *Public Improvement Refunding Bonds of 2003* - These \$7,690,000 bonds were issued on June 26, 2003, with a twelve year term. The bond proceeds were used for the refunding of a part of the 1993, 1994, and 1995 series bonds.

Loans:

As of June 30, 2005 the City had one loan outstanding, as described below:

1. *State of Maryland Water Quality Loan* - This \$1,570,795 loan was used to finance the costs of improvements to the Annapolis Water Reclamation Facility.

Debt Service Fund

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Long Term Debt Summary:

The following is a list of the bonds, notes, and capital leases included in the City's long-term debt at June 30, 2005:

General Long Term Debt

<i>Description</i>	<i>Year of Issuance</i>	<i>Outstanding Principal</i>	<i>Interest Rate</i>	<i>Year of Final Maturity</i>
<i>Bonds</i>				
Public Improvement & Refunding	1994	699,120	3.30 - 5.90%	2014
Public Improvement & Refunding	1998	5,285,960	4.40 - 5.00%	2017
Public Improvement	2002	8,276,650	2.50 - 5.00%	2018
Public Improvement Refunding	2003	\$3,536,410	2.65%	2015
	Total	\$17,798,140		
	Grand Total	\$17,798,140		

Enterprise Long Term Debt

<i>Description</i>	<i>Year of Issuance</i>	<i>Outstanding Principal</i>	<i>Interest Rate</i>	<i>Year of Final Maturity</i>
<i>Bonds</i>				
Public Improvement & Refunding	1994	490,880	3.30 - 5.90%	2014
Public Improvement & Refunding	1998	5,014,040	4.40 - 5.00%	2017
Public Improvement	2002	9,818,350	2.50 - 5.00%	2018
Public Improvement Refunding	2003	\$4,078,590	2.65%	2015
	Total	\$19,401,860		
<i>Loans</i>				
Water Quality Loan	1993	\$922,760	3.25%	2015
	Total	\$922,760		
	Grand Total	\$20,324,620		

Debt Service Fund

- continued -

Debt Service Principal and Interest Payments:

The tables below list the principal and interest payments for General Obligation Bonds and Loans for fiscal years 2004, 2005, and 2006.

<i>General Obligation Bonds</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Principal	\$3,635,000	\$3,635,000	\$3,475,000	-4.40%
Interest	1,549,260	1,587,300	1,454,100	-8.39%
Total General Obligation Bonds	\$5,184,260	\$5,222,300	\$4,929,100	-5.61%

Loans

Principal	\$80,890	\$234,880	\$84,800	-63.90%
Interest	33,820	32,490	29,990	-7.69%
Total Loans	\$114,710	\$267,370	\$114,790	-57.07%

<i>Debt Service Summary</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Total Principal	\$3,715,890	\$3,869,880	\$3,559,800	-8.01%
Total Interest	1,583,080	1,619,790	1,484,090	-8.38%
Total Debt Service	\$5,298,970	\$5,489,670	\$5,043,890	-8.12%

Debt Service Fund

- continued -

The table below lists principal and interest payments for General Obligation Bonds and Loans, by fund, for FY 2006.

<i>Fund</i>	<i>General Obligation Bond Principal</i>	<i>General Obligation Bond Interest</i>	<i>Loan Principal</i>	<i>Loan Interest</i>	<i>Total Principal Payments</i>	<i>Total Interest Payments</i>
General	\$1,733,450	\$698,150	\$0	\$0	\$1,733,450	\$698,150
Water	519,910	203,900	0	0	519,910	203,900
Sewer	475,710	152,030	84,800	29,990	560,510	182,020
Off Street Parking	683,890	368,470	0	0	683,890	368,470
Dock	47,110	24,640	0	0	47,110	24,640
Market	2,060	1,280	0	0	2,060	1,280
Transportation	12,870	5,630	0	0	12,870	5,630
Stormwater Mgmt.	0	0	0	0	0	0
Refuse	0	0	0	0	0	0
Total	\$3,475,000	\$1,454,100	\$84,800	\$29,990	\$3,559,800	\$1,484,090
					\$5,043,890	

Debt Service Fund

- continued -

Debt Service Requirements to Maturity

General Obligation Bonds

Fiscal Years 2006 - 2022

<i>Fiscal Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2006	3,475,000	1,454,100	4,929,100
2007	3,710,000	1,292,810	5,002,810
2008	3,355,000	1,167,350	4,522,350
2009	3,425,000	1,023,270	4,448,270
2010	3,035,000	910,600	3,945,600
2011	3,100,000	794,060	3,894,060
2012	3,170,000	674,560	3,844,560
2013	2,720,000	560,460	3,280,460
2014	2,765,000	459,040	3,224,040
2015	2,535,000	355,450	2,890,450
2016	1,940,000	255,410	2,195,410
2017	1,970,000	168,360	2,138,360
2018	2,000,000	77,800	2,077,800
2019	0	0	0
2020	0	0	0
2021	0	0	0
2022	0	0	0
Total	\$37,200,000	\$9,193,270	\$46,393,270

Debt Service Fund

- continued -

Legal Debt Margin:

The City Charter limits the aggregate amount of bonds and other indebtedness, with certain exceptions, to 10% of the assessable base of the City, which includes real and personal property. For FY 2006, the debt margin of the City is as follows:

Assessed Value for FY 2006	<u>\$4,001,000,000</u>
Debt Limit: 10% of assessed value	400,100,000
Debt Subject to Limitation	<u>27,330,630</u>
Legal Debt Margin	<u>\$372,769,370</u>
Ratio of city debt to assessable basis	0.68%

Under provisions of Article 41, Section 266A through 266I of the Annotated Code of Maryland, the City has participated in Industrial Revenue Bonds for various projects within the City. Neither the bonds, nor the interest thereon, constitute an indebtedness or contingent liability of the City and, accordingly, they are not included in general long-term debt.

Debt Service as a Share of Expenditures:

The City's budgeted debt service of \$5,043,890 for FY 2006 is 8.11% of the \$62,210,780 FY 2006 total expenditure budget. \$2,431,600 of this debt service amount is General Fund debt service, which is equal to 5.64% of total General Fund budgeted expenditures of \$43,098,000.

Comparison of Full Time Equivalent Positions by Fund FY 2004 to FY 2006

The following tables summarize the changes in permanent positions from FY 2004 to FY 2006 for all funds.

<i>Permanent Positions by Fund</i>	<i>FTE</i>		
	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>
General	427	428	435
Water	23	23	23
Sewer	10	7	7
Off Street Parking	0	0	0
Dock	3	3	3
Market	0	0	0
Transportation	47	47	49
Stormwater Management	0	3	3
Refuse	22	22	22
Grand Total	532	533	542

Comparison of Full Time Equivalent Positions by Department FY 2004 to FY 2006

The following tables summarize the changes in permanent positions from FY 2004 to FY 2006 for all departments.

<i>Permanent Positions by Department</i>	<i>FTE</i>		
	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>
Mayor and Aldermen	14	14	14
Finance	27	27	24
Human Resources	7	7	7
Planning and Zoning	15	15	15
Central Services	5	5	5
Police	169	170	173
Fire	103	103	110
Neighborhood & Environ. Programs	20	20	20
Public Works	105	105	105
Recreation and Parks	20	20	20
Transportation	47	47	49
Grand Total	532	533	542

Summary of Position Changes FY 2005 to FY 2006

The following tables detail the changes in permanent positions from FY 2005 to FY 2006 for all departments.

<i>Permanent Positions by Department</i>	<i>FY 2005 Positions</i>	<i>Additions</i>	<i>Deletions</i>	<i>FY 2006 Positions</i>
Mayor and Aldermen	14	0	0	14
Finance	27	0	3	24
Human Resources	7	0	0	7
Planning and Zoning	15	0	0	15
Central Services	5	0	0	5
Police	170	3	0	173
Fire	103	7	0	110
Neighborhood & Environ. Programs	20	0	0	20
Public Works	105	0	0	105
Recreation and Parks	20	0	0	20
Transportation	47	2	0	49
Grand Total	533	12	3	542

Finance

Reclassification of three (3) Parking Enforcement Collection positions to Police and Transportation.

Police

Reclassification of one (1) Parking Enforcement Collection position from Finance.

Addition of two (2) Parking Enforcement Officers.

Fire

Addition of one (1) Deputy Fire Chief.

Addition of six (6) Firefighter positions.

Transportation

Reclassification of two (2) Parking Enforcement Collection positions from Finance.

Full Time Equivalent Summary FY 2006

The graph below indicates the percentage of total Permanent Full Time Equivalent Positions by department.

